

ORIGINAL

NEW APPLICATION



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April 22, 2016

Via Overnight Delivery

AZ CORP COMMISSION
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Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Joint Application of Matrix Telecom, LLC and TNCI Operating Company, LLC for Waiver of Slamming Rules and Discontinuance of Service

Dear Sir or Madam:

T-03228A-16-0136

T-20882A-16-0136

Enclosed please find the original and thirteen (13) copies of the above-referenced application filing submitted on behalf of Matrix Telecom, LLC ("Matrix") requesting the Commission to authorize the customer base transfer described in the enclosed application and authorize all applicable local exchange carriers to honor requests by Matrix to change presubscribed intrastate long distance and local service of the customers of its affiliate, TNCI Operating Company, LLC ("TNCI OpCo"), to Matrix and to subsequently cancel TNCI OpCo's intrastate long distance and local certification and applicable tariff.

Please note Matrix Telecom, Inc. notified the Commission of the Company's conversion to a limited liability company and change in name to Matrix Telecom, LLC via letter dated April 1, 2016. This name change filing (Docket No. T-03228A-16-0117) has not yet been approved by the Commission.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3001 or via email to tforte@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Thomas M. Forte
Consultant to Matrix Telecom, LLC

Arizona Corporation Commission
DOCKETED

APR 25 2016

cc: Alex Valencia (Via E-Mail) - Matrix
file: Matrix - Arizona - Other
tms: AZx1602

DOCKETED BY	
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Enclosures
TF/mw

BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE, Chairman
BOB BURNS
TOM FORESE
BOB STUMP
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF
MATRIX TELECOM, LLC
AND TNCI OPERATING COMPANY, LLC

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DOCKET NO. _____

**JOINT APPLICATION FOR WAIVER OF SLAMMING RULES
AND DISCONTINUANCE OF SERVICE**

Matrix Telecom, LLC ("Matrix") requests that the Commission authorize the customer base transfer described in this application and authorize all applicable local exchange carriers to honor requests by Matrix to change the presubscribed local and interexchange service of the customers of its affiliate, TNCI Operating Company, LLC ("TNCI OpCo"). This request for authorization is made pursuant to Applicants' intention to transfer TNCI OpCo's customers to Matrix and to subsequently cancel TNCI OpCo's local and interexchange certification and applicable tariff. Both Matrix and TNCI OpCo are wholly owned subsidiaries of TNCI Impact, LLC.

This transaction is part of a multi-state effort to consolidate certain Impact subsidiaries and is therefore an internal corporate reorganization as described below. The Applicants are coordinating proceedings in multiple states with an expected implementation of June 1, 2016. Accordingly, applicants request the grant of the above-referenced application no later than June 1, 2016.

I. THE PARTIES

TNCI OpCo is a Delaware limited liability company formed on January 9, 2013. Its principal offices are located at 114 E. Haley Street, Suite 1, Santa Barbara, California 93101. The company was authorized to provide resold and facilities-based competitive local exchange and interexchange services pursuant to Order 74152 issued in Docket T-20882A-13-0108. The company also received Commission approval to provide resold interexchange service in T-20882A-13-0108. TNCI OpCo currently offers presubscribed local and interexchange services in Arizona. TNCI OpCo is a wholly owned subsidiary of TNCI Impact, LLC.

I. THE PARTIES (continued)

Matrix is a Texas limited liability company formed on December 28, 2015. Its principal offices are located in 433 East Las Colinas Boulevard, Irving, Texas 75039. The company was originally authorized to provide interexchange services in T-03338A-96-0392 by order issued May 16, 2003. The Company also received Commission approval to provide resold and facilities-based competitive local exchange services on December 9, 2005 in T-0322BA-05-0244. Matrix currently offers presubscribed local and interexchange services in Arizona. Matrix is a wholly owned subsidiary of TNCI Impact, LLC.

II. THE TRANSACTION

TNCI OpCo's customers in all states in which it operates will be transferred to Matrix beginning on or about March 1, 2016, subject to all required regulatory approvals. Following the transfer, these customers will be served by Matrix. Matrix will revise its tariffs to incorporate the applicable transferred services upon completion of the transfer. TNCI OpCo will cease to operate and seeks cancellation of its Certificate of Public Convenience and Necessity and tariff. Upon completion of the transfer, Matrix will still be a wholly owned subsidiary of TNCI Impact, LLC.

III. SCOPE OF APPLICATION

Applicants seek a waiver of the Commission's slamming rules as set forth in AAC R-14-2-1901 to 1913; approval for discontinuance of TNCI OpCo's local and interexchange service under AAC R-14-2-1107; and such other approvals that may be deemed necessary. Applicants are exempt from the statute that applies to mergers by public service corporations, A.R.S. § 40-285 because they exclusively provide competitive telecommunications services.

IV. WAIVER OF SLAMMING RULES

Applicants seek a waiver of AAC R-14-2-1901 to 1913 and any other applicable slamming regulations that may be inconsistent with the FCC's rules regarding the transfer of customer bases.

Written notice of the proposed transfer was provided to all TNCI OpCo customers on or about January 28, 2016. The customer notifications advised customers of the following:

- (1) the pending change of their local and interexchange service carrier selection to Matrix;
- (2) there will be no impact on their service;
- (3) there will be no change to rates, terms or conditions of service;
- (4) there will be no charges associated with their change to Matrix as their local and interexchange carrier;
- (5) they have the option to select a different service provider if they prefer, with no penalty from TNCI OpCo.

The notifications include the toll free numbers that customers may call for more information. A copy of the customer notification is attached as Exhibit A.

Because the notices provide information regarding any potential impact on rates, terms and conditions of service, and because it informs customers that they may subscribe to the telecommunications service provider of their choice, a waiver of these regulations is appropriate and consistent with past Commission decisions.

V. APPROVAL OF DISCONTINUANCE OF INTEREXCHANGE AND LOCAL SERVICE BY TNCI OPERATING COMPANY, LLC

Applicants request approval for discontinuance of TNCI OpCo's interexchange and local service pursuant to AAC R-14-2-1107 in the event the Commission determines such approval is necessary. To be clear, services will not be discontinued to any customer because TNCI OpCo's former customers will be served by Matrix, unless they choose another service provider. Following the transfer, TNCI OpCo will cease to exist and hereby requests cancellation of its CCN and all applicable tariffs effective upon the consummation of the transaction. There is no plan for the return of any consumer deposit as TNCI OpCo has no collected deposits from customers within Arizona.

**V. APPROVAL OF DISCONTINUANCE OF INTEREXCHANGE AND LOCAL SERVICE BY
TNCI OPERATING COMPANY, LLC (Continued)**

The Applicants respectfully request that the Commission waive the notice and publication requirements in the discontinuance rule. The number of customers involved is extremely small and, as noted above, customers are receiving direct notice of the change in service as required by the FCC. Because the customers will continue to receive service, a second notice of discontinuance will be confusing to customers and in this instance should not be required.

VI. CONTACT INFORMATION

For the purposes of this filing, questions or any correspondence, orders, or other materials should be directed to the following contacts for the Parties:

Thomas M. Forte
Consultant to the TNCI Impact, LLC, Matrix Telecom,
LLC and TNCI Operating Company, LLC
Technologies Management, Inc.
2600 Maitland Center Parkway, Suite 300
Maitland, FL 32751
Telephone: 407-740-3001
Facsimile: 407-740-0613
Email: tforte@tminc.com

With a copy sent to:

Alex Valencia
Vice President - Government Affairs & Compliance
Impact Telecom
433 East Las Colinas Blvd.
Suite 500
Irving, TX 75039
Telephone: 972-910-1720
Facsimile: 972-910-1490
Email: avalencia@impacttelecom.com

VII. WAIVER REQUEST

TNCI OpCo requests a waiver of AAC R-14-2-1107 B relating to the requirement of the company to publish a notice of discontinuance of service in all counties affected by the application. TNCI OpCo contends that the direct customer notice provided to presubscribed consumers regarding the transfer and discontinuance of service provides greater notice than an open published legal notice. Therefore the Company believes a waiver should be granted in this instance.

VIII. RELIEF REQUESTED

Matrix Telecom, LLC and TNCI Operating Company, LLC request that the Commission waive the Commission's slamming regulations, AAC R-14-2-1901 to 1913; approve (if deemed necessary by the Commission) the discontinuance of TNCI OpCo's interexchange and local service under AAC R-14-2-1107, as well as the waiver of AAC R-14-2-1107 B and the cancellation of its CCN and applicable tariffs; and provide such other approvals as the Commission deems necessary for the Applicants to complete the transactions described in this Application. The parties respectfully request that the Commission approve the transaction no later than June 1, 2016.

IX. CONCLUSION

The proposed customer transfer is an internal corporate reorganization. Grant of this request will reduce costs and other resources associated with the transfer of customers to Matrix by eliminating the requirement to secure a letter of authorization from each customer. As explained above, each customer has been notified of the forthcoming change in carrier with a full explanation of the process and the options open to them as well as contact information for both companies in the event of any questions or concerns.

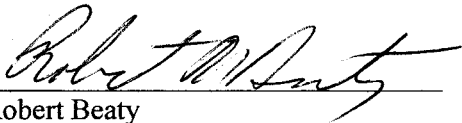
WHEREFORE, for the reasons stated above, Matrix Telecom, LLC requests that the Commission grant this application as described herein and accordingly.

STATE OF TEXAS

COUNTY OF DALLAS

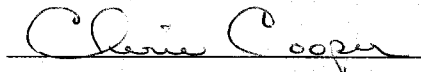
VERIFICATION

I, Robert Beaty, hereby declare, under penalty of perjury, that I am Chief Executive Officer of TNCI Impact, LLC the parent company of both Matrix Telecom, Inc., Matrix Telecom, LLC and TNCI Operating Company, LLC, that I am authorized to make this verification on behalf of the named companies; that I have read the foregoing Petition; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.



Robert Beaty
Chief Executive Officer
TNCI Impact, LLC

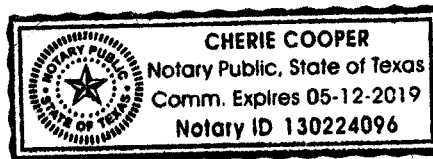
Sworn to and subscribed before me this 30th day of March, 2016



Notary Public

My Commission expires:

5/12/2019



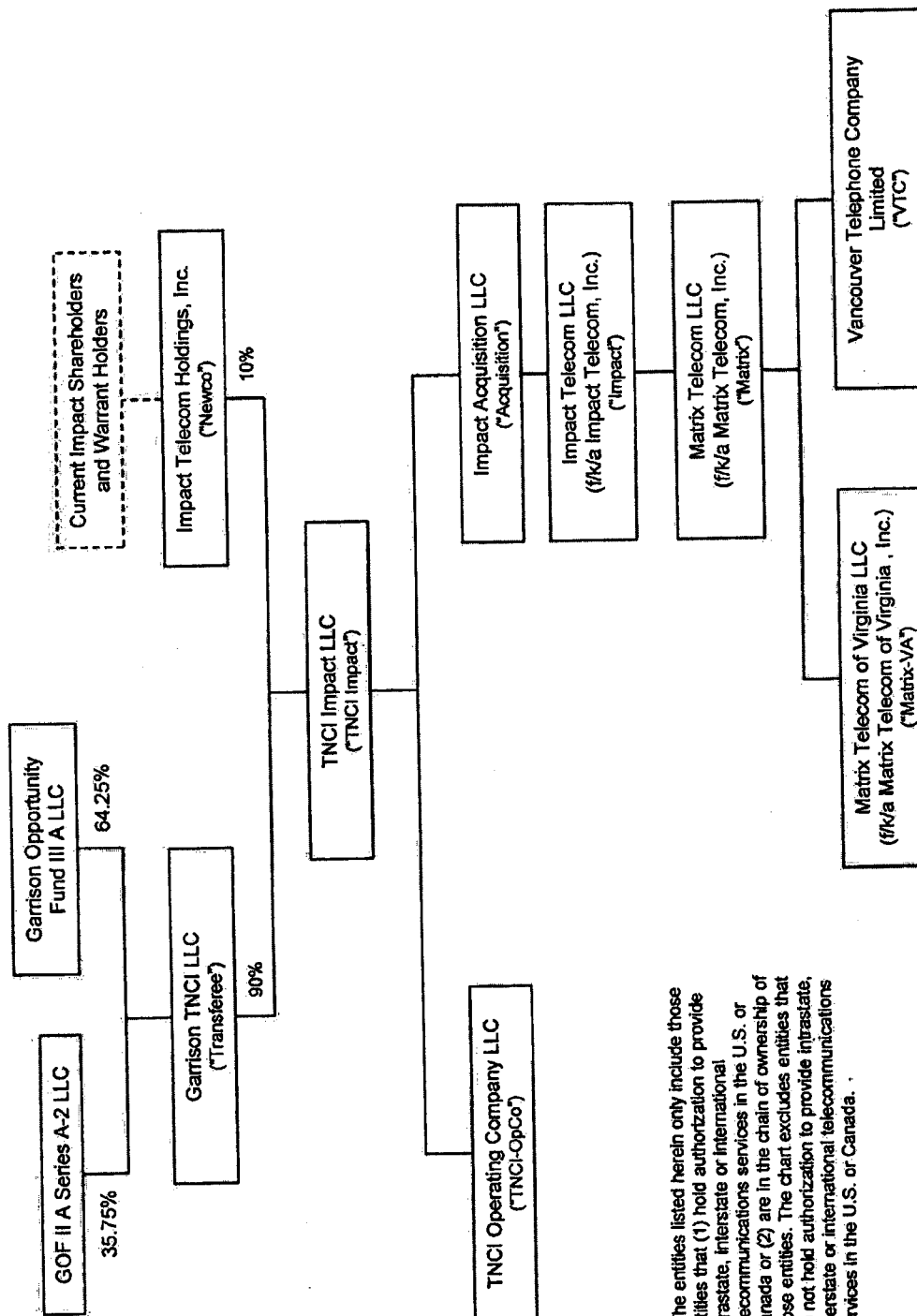
Matrix Telecom, LLC

TNCI Operating Company, LLC

Exhibit A

TNCI Impact, LLC Corporate Structure

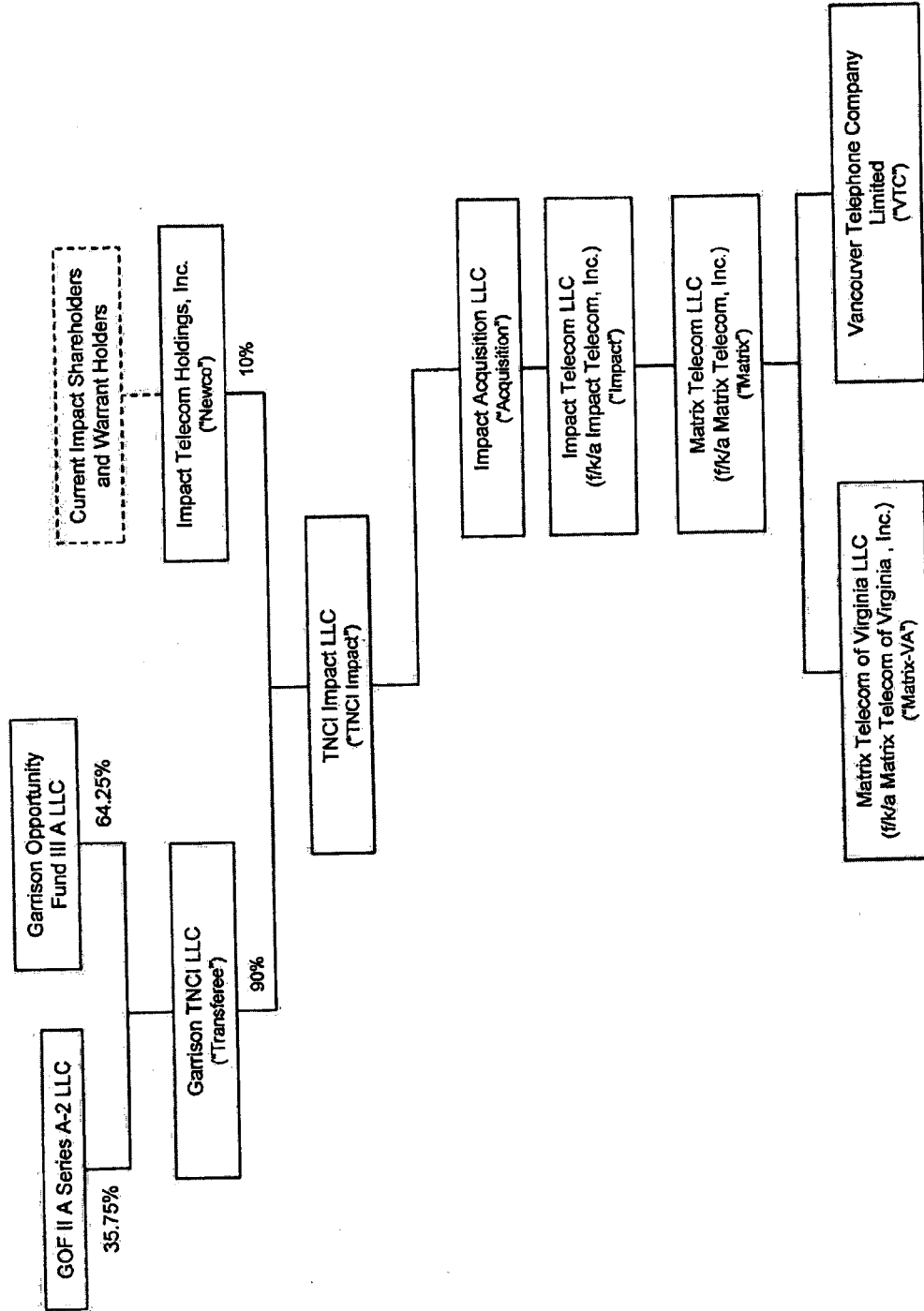
Organizational Structure of Impact and TNCI OpCo*



* The entities listed herein only include those entities that (1) hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada or (2) are in the chain of ownership of those entities. The chart excludes entities that do not hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada.

Unless otherwise indicated all ownership percentages are 100%.

Post-Closing Organizational Structure of Impact and TNCI OpCo



Unless otherwise indicated all ownership percentages are 100%.

Matrix Telecom, LLC

TNCI Operating Company, LLC

Exhibit B

Customer Notification



January 28, 2016

Dear Valued Customer,

Matrix Telecom, Inc. dba Impact Telecom ("Impact Telecom") and TNCI Operating Company, LLC ("TNCI") are pleased to announce that Impact Telecom and TNCI will be merging companies. As a result of the merger, your telecommunications services will now be provided under the brand name Impact Telecom. The anticipated date of merger of TNCI into Impact Telecom is expected to be completed on or after March 1, 2016, subject to the necessary regulatory approvals.

Please note that you are not required to do anything to retain your current services. There will be no cost to you because Impact Telecom will be responsible for any carrier change charges resulting from the merger, nor will the merger change your current service plan or your rates, service features, telephone number, or terms and conditions. Rest assured that this transition will be seamless. You will simply continue to receive the same services that you enjoy today under your TNCI plan.

We have a legal requirement to inform you that you have the right to select a different local service provider or preferred long distance carrier, if one is available. If you have placed a preferred carrier freeze on your account, the freeze will continue to remain in place. If you have a local service provider other than TNCI and choose to change to a different preferred long distance carrier, you may first need to lift any freeze you may have placed on your account by calling your local service provider.

Impact Telecom is dedicated to earning and keeping your business. We are confident that this transaction will strengthen the quality of service you receive today. As always, for help with any customer service, billing issue, or complaint, we will assist you at our customer service toll-free number (888) 411-1175, before, during, and after the merger.

Sincerely,

TNCI OPERATING COMPANY, LLC.

and

MATRIX TELECOM, INC. DBA IMPACT TELECOM